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September 18, 2002  
Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12 St., S.W.  
Washington, D.C. 20554

**Re: Ex Parte, Implementation of the Pay Telephone Reclassification and  
Compensation Provisions of the Telecommunications Act of 1996, CC Docket  
No. 96-128.**

Dear Ms. Dortch:

Yesterday, Larry Fenster, Richard Whitt, and Craig Crowley of WorldCom, Inc., met with Linda Kinney from the Office of General Counsel. The attached materials were handed out at the meeting. We discussed how Court opinions and Commission precedent favored refunds, presented data on the extent to which interexchange carriers have been undercompensated for their payphone compensation obligations, and rebutted claims that interexchange carriers were compensated through other means for under-recovery of their payphone compensation expenses. We also discussed that it would be incorrect to presume that payphone service providers would not be compensated by WorldCom. Finally, we also discussed the administrative infeasibility of requiring underlying carriers to compensate on behalf of switch-based resellers who have their own carrier identification codes (CICs). Since these resellers obtain service from many underlying carriers, no one carrier "owns" such resellers.

Sincerely,

**Larry Fenster**

Larry Fenster

Cc: Linda Kinney

